

## Message Text

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PAGE 01 CARACA 03691 01 OF 02 131639Z  
ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 /019 W  
-----131703Z 056596 /47

R 131542Z APR 77  
FM AMEMBASSY CARACAS  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 7255

UNCLAS SECTION 1 OF 2 CARACAS 3691

FOR: WCAG

E.O. 11652: N/A  
TAGS: BEXP, BENC, VE  
SUBJECT: COUNTRY COMMERCIAL PROGRAM - SECOND QUARTER 1977

(1) ALL TARGETED ACTIVITIES FOR THE SECOND QUARTER OF THE FY-77  
COUNTRY COMMERCIAL PROGRAM ACCOMPLISHED, WITH EXCEPTIONS OR EXTRA  
EFFORTS NOTED:

CAMPAIGN ONE - PETROCHEMICAL INDUSTRY.  
EXTENSIVE REPORTING INSTITUTO VENEZOLANO DE PETROQUIMICA PROBLEMS,  
REORGANIZATION, FUTURE PLANS.  
CAMPAIGN TWO - RAILROAD & METRO.  
INTENSIVE EFFORT WITH AND ON BEHALF OF BIDDERS ON BOTH PROJECTS,  
INCLUDING SUPPORT FOR PULLMAN AND WESTINGHOUSE DISPLAYS, MKI CALLS  
ON RAILROAD INSTITUTE, CONSIDERABLE INTERPRETIVE REPORTING.  
CAMPAIGN THREE - STEEL.  
CONSIDERABLE REPORTING THIS QUARTER ON CORPOZULIA PROJECTS.  
CAMPAIGN FOUR - METALWORKING.  
ORGANIZED AND PROMOTED MICHIGAN MACHINE TOOL IOGA.  
CAMPAIGN FIVE - SHIPS & SHIPBUILDING.  
NO EMBASSY ACTIVITY THIS QUARTER. COVINCA NEGOTIATING JOINT VENTURE  
ARRANGEMENT FOR SHIPYARD WITH EUROPEAN SHIPBUILDER.  
CAMPAIGN SIX - POWER PROJECTS.  
ON TARGET. SERIES OF REPORTS ON GURI DAM BIDDING. CARACAS 1199  
DIRECTLY RESULTED IN SALE TWO USED 20 MW GAS TURBINES TO CADAPE  
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FOR DOLLARS SIX MILLION.  
CAMPAIGN SEVEN - AVIATION AND AIRPORTS.  
SOLID RECORD OF ACCOMPLISHMENTS IN THIS AREA RECENTLY WARRANT HIGH-  
LIGHTING HERE. THE GOV AND FAA SIGNED TECHNICAL ASSISTANCE CONTRACT  
FOR ASSISTANCE ALL FIELDS CIVIL AVIATION. INITIAL COST ESTIMATE  
DOLLARS 1.5 MILLION, TO RUN FIVE YEARS. THIS CONTRACT HAS SIGNIFICANT  
IMPLICATIONS FOR THE GOV'S SOURCING OF NAVAIDS WHICH WILL BE REQUIRED

TO CARRY OUT THE GOV'S AMBITIOUS CIVIL AVIATION MODERNIZATION AND EXPANSION PROGRAMS. ONE YEAR TECHNICAL ASSISTANCE CONTRACT SIGNED BETWEEN FAA AND VENEZUELAN AIR FORCE. EMBASSY CO-SPONSORED AND HELPED ORGANIZE AIRPORT DESIGN SEMINAR ATTENDED BY OVER 100 GOV OFFICIALS. GOV PURCHASED DOLLARS SEVENTY MILLION IN EQUIPMENT, 95PCT FROM U.S. SPECS WERE WRITTEN BY FAA. EMBASSY ESTABLISHED CLOSE CONTACT WITH VIASA DURING SELECTION OF CLOSE TO DOLLARS ONE HUNDRED MILLION IN AIRCRAFT AND SUPPORT EQUIPMENT. US SUPPLIER WON OUT. EMBASSY ARRANGED FOR FAA EXPERTS TO PARTICIPATE IN ANNUAL CONVENTION FEDERATION OF AERoclubs AND COVERED EVENT. EMBASSY WORKED WITH GROUP OF INVESTORS PLANNING EXECUTIVE JET PORT, ENCOURAGED NEGOTIATIONS WITH US FIXED BASE OPERATOR WITH JOINT VENTURE IN PROSPECT. VENEZUELAN GROUP PURCHASED DOLLARS FIFTEEN MILLION WORTH OF CONSTRUCTION EQUIPMENT IN US. EMBASSY FOSTERED NEGOTIATIONS BETWEEN DOMESTIC HELICOPTER OPERATOR AND ELECTRIC UTILITY FOR CONSTRUCTION POWER LINE. TWO HELICOPTERS WITH FOUR MILLION PURCHASED IN U.S.

CAMPAIGN EIGHT - LIAISON WITH DEVELOPMENT ORGANIZATIONS. ACTION TWO - NOT COMPLETED. VISITS MADE TO CORPORINTE, CORPOANDES, CORPOOCCIDENTE DURING QUARTER AND COMBINED REPORT ON ALL THREE IN PREPARATION. ASIDE FROM CORPOZULIA AND CVG, REGIONAL DEVELOPMENT AGENCIES NOT HEAVYWEIGHTS IN TERMS OF MAJOR PROJECTS OR SALES OPPORTUNITIES.

CAMPAIGN NINE - TELECOMMUNICATIONS. IN ADDITION TO PROGRAMMED ACTIVITIES, EMBASSY PARTICIPATED IN MIN DEFENSE PLANNING MEETINGS ON HF NETWORK AND REPORTED TO USDOC, CONTINUED PROMOTION OF LANDSAT AND ASSISTED US FIRM IN SECURING INITIAL "TRIAL" CONTRACT, CONTINUED PROMOTION OF LORAN-C SYSTEM AND ARRANGED FOR VISITS OF VARIOUS GOV OFFICIALS TO FAA  
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COMMUNICATIONS INSTALLATIONS.

CAMPAIGN TEN - PORTS

ALL ACCOMPLISHED.

CAMPAIGN ELEVEN - CONSTRUCTION

INTENSIVE EFFORT EXPENDED IN CALLING ON CONSTRUCTION CONTRACTORS AND ENGINEERING CONSULTANTS, TRIPLE THE TARGET NUMBER IN CCP. HIGHLIGHTS INCLUDE MEETING WITH BOARD OF DIRECTORS ASSOCIATION OF CONSULTING ENGINEERS AND THEIR VISIT TO EMBASSY FOR VSMF DEMONSTRATION. CTF ALSO DEMONSTRATED VSMF TO ENGINEERING COMPANIES AND INDIVIDUAL ENGINEERS ON-TWELVE OCCASIONS. FOUR INVESTMENT/LICENSING OPPORTUNITIES SUBMITTED.

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R 131542Z APR 77  
FM AMEMBASSY CARACAS  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 7256

UNCLAS SECTION 2 OF 2 CARACAS 3691

FOR: WCAG

CAMPAIGN TWELVE - FOOD PROCESSING  
ON TARGET.  
CAMPAIGN THIRTEEN - ALUMINUM INDUSTRY  
STATUS REPORT WILL BE SUBMITTED EARLY THIRD QUARTER.  
CAMPAIGN FOURTEEN - TRAVEL.  
O.K.

(2) IN ADDITION TO THOSE CAMPAIGN ACTIVITIES SUMMARIZED ABOVE,  
THERE WERE SEVERAL ADDITIONAL "UNPROGRAMMED" ACTIVITIES AND  
ACCOMPLISHMENTS WHICH ALSO MERIT MENTION IN TERMS OF THEIR  
CONTRIBUTIONS TO THE EMBASSY'S EXPORT PROMOTION EFFORTS.

A. PREPARED MARKET RESEARCH STUDY FOR AUTOMOTIVE MAINTENANCE  
AND DIAGNOSTIC EQUIPMENT FOR 9/77 TRADE MISSION.

B. EXHIBITION RECRUITING EFFORTS INCLUDED A MAILING OF  
NEARLY 800 FLYERS OUTLINING 77-78 SOLO EXHIBITION SCHEDULE,  
PRESS PLACEMENTS REGARDING THE EXHIBITION SCHEDULE, AND AN  
INTENSIVE CAMPAIGN TO RECRUIT PARTICIPATION OF LOCAL AGENTS  
OF OTM U.S. FIRMS FOR INSTRUQUIPOS. COMPLETED PREPARATION  
OF LISTS OF LOCAL AGENTS OF OTM U.S. FIRMS AND BEGAN  
PRELIMINARY RECRUITING FOR METALQUIPOS AND TELELECTRONICA.

C. AFTER CONSULTATIONS WITH SHIPPING AGENTS OF U.S.  
FLAG LINES, EMBASSY ISSUED A DIPLOMATIC NOTE PROTESTING  
VENEZUELA'S BERTHING POLICY WHICH DISCRIMINATES AGAINST U.S.  
LINES. ADVERSE EFFECTS OF THIS GOV POLICY HAVE SUBSIDED  
SUBSTANTIALLY SINCE EMBASSY'S NOTE WAS PRESENTED, THEREBY  
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RELIEVING THE SITUATIONS OF U.S. MARITIME TRANSPORT COMPANIES,  
AND U.S. EXPORTERS TO VENEZUELA.

D. REVIEWED AND MADE RECOMMENDATIONS AS TO ACCEPTABILITY OF  
CONTRACTED MARKET RESEARCH STUDIES FOR ENERGY SYSTEMS,  
CONSUMER PRODUCTS, AND MEDICAL EQUIPMENT.

E. PREPARED BRIEF SURVEY OF THE VENEZUELAN MARKETS FOR  
PLASTICS PRODUCTION EQUIPMENT AND PLASTICS RAW MATERIALS.

F. PREPARED 21-PAGE BEST PROSPECTS REPORT WHICH IDENTIFIES  
AND ANALYZES SEVEN CATEGORIES OF U.S. PRODUCTS WHICH SEEM MOST  
APPROPRIATE TO SERVE AS THEMES FOR 1979 TRADE PROMOTION EVENTS.

G. MADE ADVANCE PREPARATIONS, INCLUDING BUDGET ESTIMATE FOR  
7/77 POLLUTION CONTROL EQUIPMENT CATALOG SHOW.

H. PREPARED COMPREHENSIVE AIRGRAM ANALIZING GROWING  
VENEZUELAN MARKET FOR PREFAB HOUSING IN ANTICIPATION OF  
MASSIVE CVG HOUSING PROGRAM INITIATED IN THIRD QUARTER.

(3) WE HAVE NO RECORD OF RECEIPT OF ANY REPORT SUMMARIZING  
WCAG REVIEW OF FY76 PERFORMANCE OR FIRST QUARTER FY77  
PROGRESS REPORT (CARACAS 0733).

VAKY

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## Message Attributes

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**Review Markings:**  
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